

FINANCIAL SERVICES

MISSION STATEMENT

The Financial Services Department is committed to quality and excellence ensuring the financial integrity of the City and its related agencies while providing efficient courteous service.

DESCRIPTION

The Financial Services Department is responsible for providing qualitative as well as quantitative financial information that allows the City Council and all City departments to make informed decisions as to allocation of available resources. Through careful analysis of revenues and expenditures, the department is able to propose a balanced City budget (for all funds) at the beginning of each fiscal year. Financial Services also discloses the City's financial condition and the results of its operations in the fiscal year-end Comprehensive Annual Financial Report (CAFR).

The department provides a wide range of other services, such as purchasing, accounts receivable and revenue collection, fixed asset management, payroll, accounts payable, accounting, deferred compensation, Public Employees' Retirement System (PERS) management, debt management, and internal audit management.

OBJECTIVES

The Financial Services Department closely adheres to the City Council's adopted Financial Policies. These include maintaining a balanced operating budget for all governmental funds, monitoring all proprietary funds to ensure that they remain self-supporting, maintaining appropriate reserves, and complying with all bond covenants.

The department will continue to monitor the City's financial results. In light of ever changing reporting requirements by the Governmental Accounting Standards Board (GASB), Financial Services will ensure full compliance. Financial Services staff will provide ongoing training in the Oracle financials module to City employees in order to maintain a high level of customer service to its residents and businesses.

The City and its related agencies bonded indebtedness will continue to be monitored including debt service payments, bondholder relations, arbitrage coordination, and continuing disclosure requirements.

CHANGES FROM PRIOR YEAR

The Oracle/HR/Payroll and Time Entry system was implemented to replace an antiquated Mainframe Payroll system and increase efficiencies while correlating smoothly with the existing financial applications in Oracle. The Oracle software allows payroll to integrate with Human Resources to provide accurate information in a timely manner. The payroll cycle switched from semi-monthly to bi-weekly payments and many payroll processes were changed to transition from manual calculations to an automated process.

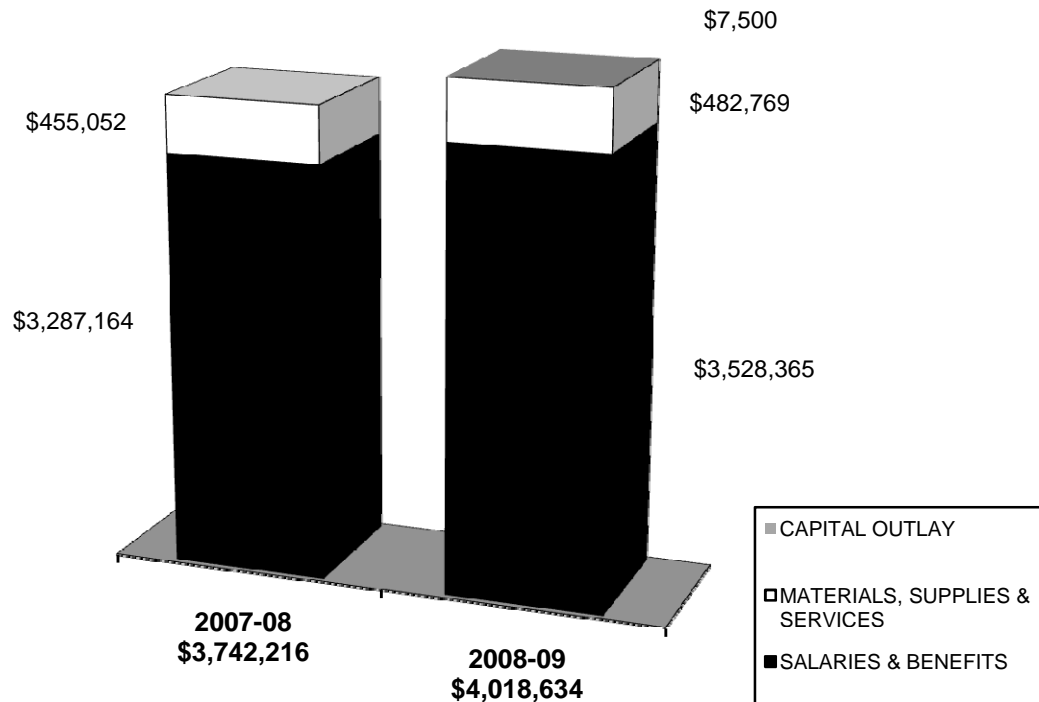
Purchasing will begin to implement an electronic bid management system that will enable vendors to bid on City contracts via the Internet. Improving and modernizing the bid process allows cities to share vendor lists which will provide more options for cities as well as those local firms desiring to do business with the City.

DEPARTMENT SUMMARY

	EXPENDITURES 2006-07	BUDGET 2007-08	BUDGET 2008-09	CHANGE FROM PRIOR YEAR
Staff Years	33,000	34,000	34,000	
Salaries & Benefits	\$ 3,010,028	\$ 3,287,164	\$ 3,528,365	\$ 241,201
Materials, Supplies, Services	582,643	455,052	482,769	27,717
Capital Outlay			7,500	7,500
TOTAL	\$ 3,592,671	\$ 3,742,216	\$ 4,018,634	\$ 276,418

FINANCIAL SERVICES

Department Summary



2007-08 WORK PROGRAM HIGHLIGHTS

- Developed a 5-year long range financial forecast to address the current and future projected budget.
- Worked with consultant and all applicable departments on the development of a full cost allocation plan.
- Coordinated the FY 07-08 audits scheduled for the Transient Occupancy Tax, Transient Parking Tax, Bus Shelter, Verdugo Communications Center, and Police Operational Review.
- Worked with Management Services and Information Technology to implement the new Oracle Payroll/Human Resources system.
- Worked with Information Technology to initiate Phase II of the Oracle implementation which involves an upgrade of the general ledger in preparation for a work order asset management system.
- Adopted a balanced budget totaling over \$720 million.
- Reorganized the department to establish a revenue section and added a Grants & Revenue Manager to oversee this section.
- To address the requirements of the Government Accounting Standards Board (GASB) Statement 45 as well as the funding for the actuarial determined other post employment benefits (OPEB) liability, the California Employers' Retiree Benefit Trust (CERBT) was established with CalPERS.
- Implemented GASB 48 & 50 to comply with governmental accounting standards. GASB 48 involves requirements for the sales and pledges of receivables and future revenues while GASB 50 provides requirements for pension disclosure.

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Department Summary

2008-09 WORK PROGRAM GOALS

- Continue to update the current 5-year long range financial forecast to address any future projected budget shortfalls and to forecast within + or - 3% of actual results.
- Establish periodic revenue reports to present to executives and Council members.
- Coordinate planned audits including Transient Occupancy Tax (TOT) and Transient Parking Tax (TPT) audits; Petty Cash counts; as well as others.
- Continue to work with Information Technology to implement the Oracle Release 12 upgrade and Oracle Enterprise Asset Management (EAM) work order system.
- Work with our consultants and all applicable departments to further enhance the annual cost allocation plan.
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- Implement the Government Accounting Standards Board (GASB) Statement 49 which would require the City to provide information to the public on the financial impact of environmental cleanups.
- Implement the electronic bid management system.
- Assist with the joint agreement between the City and BUSD for financing of the High School Athletic Fields Project.
- Investigate possible additional revenue sources by examining the policies, procedures, and processes of our collection unit.

Accounting/Administration Division

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The Accounting/Administration Division is responsible for the development, implementation, and maintenance of effective financial accounting systems and controls. The Division provides for management control over the City's financial operations by ensuring the ability to present fairly, and with full disclosure on a timely basis, the financial position of the City. This Division is responsible for the development of long range financial planning and fiscal support functions to other City departments and other responsible agencies. Payroll, debt management, deferred compensation/PERS management, accounts payable, accounting and financial reporting, as well as managing of internal audits are services found in this Division.

OBJECTIVES

- Complete month-end closings of all Oracle financial modules in a timely manner.
- Complete State Controller's Reports (City and Redevelopment Agency), Street Reports, and Comprehensive Annual Financial Reports (CAFR's) within applicable deadlines.
- Issue the 6/30/08 Comprehensive Annual Financial Report (CAFR) that meets the GFOA award program guidelines for excellence in financial reporting.
- Coordinate the City's Internal Audit program.
- Coordinate Annual Financial Audit with outside auditors.
- Provide initial and ongoing training for all Oracle Financial users.
- Work with all necessary departments to revise and maintain five-year cash flow analysis for Refuse, Sewer, Golf, Gas Tax, Parking Authority, Transportation funds, Redevelopment funds and selected Internal Service funds.
- Work with Information Technology to implement ongoing enhancements for the Enterprise Resource Planning (ERP) system.
- Perform system requirements documentation with the Information Technology Department.
- Debt administration for all bond issues.
- Enhance interdepartmental communications and customer service through ongoing training and standard ongoing departmental meetings.

CHANGES FROM PRIOR YEAR

A new Oracle/HR/Payroll and Time Entry system was implemented to improve business practices and to increase efficiencies in payroll, human resources, and time entry procedures. The Oracle system allows payroll information to transition over to the financial module providing accurate and comprehensive information in a timely manner. With the transition from a semi-monthly to bi-weekly pay period, business processes have been enhanced to provide for quick turnaround times on payments and comply with payroll regulations.

DIVISION SUMMARY

	EXPENDITURES 2006-07	BUDGET 2007-08	BUDGET 2008-09	CHANGE FROM PRIOR YEAR
Staff Years	21.000	21.000	17.000	(4.000)
Salaries & Benefits	\$ 1,941,653	\$ 2,048,166	\$ 1,875,105	\$ (173,061)
Materials, Supplies, Services	358,027	285,816	301,537	15,721
TOTAL	<u>\$ 2,299,680</u>	<u>\$ 2,333,982</u>	<u>\$ 2,176,642</u>	<u>\$ (157,340)</u>

Budget/Purchasing Division

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The Budget Section's main function includes the development of the annual operating and capital improvement program (CIP) budgets. Accomplishing these objectives requires coordination with City departments to submit reliable revenue estimates and ensure that expenditure parameters are adhered to during the budget preparation process. The Division submits a proposed budget document for review prior to Council adoption.

Purchasing provides centralized control over the issuance of purchase orders and contracts with respect to the procurement of goods and services. The Warehouse provides support to general City departments through the purchase and distribution of various stock items.

The Revenue Section is responsible for managing the revenue operations of the City and monitoring the City's major revenues, such as Sales Tax and Property Tax. It is also responsible for the City's billed receivables including the collection of Citywide delinquent accounts.

OBJECTIVES

- Prepare and maintain a balanced annual operating and CIP budget.
- Continue to oversee the current 5-year long range budget balancing plan to address the current and future projected budget deficit and modify the plan as necessary.
- Coordinate annual cost allocation plan.
- Coordinate annual update of Burbank Fee Schedule.
- Prepare annual *Budget in Brief* Document and Budget Brochure.
- Administer the City's Procurement Card Program.
- Provide ongoing training to all departments on the current purchasing procedures and Oracle purchasing module.
- Enhance interdepartmental communications and customer service through ongoing training and standard ongoing departmental meetings.
- Support Citywide purchasing needs in a timely fashion by increasing the efficiency of the Purchasing Section procedures and continued staff development.
- Manage and facilitate a Citywide change to stagger the annual price agreements to minimize the peak period workload at the beginning of each fiscal year.
- Maintain the average age of purchase requisitions to 30 days.
- Support general warehousing needs in a timely and customer-friendly manner by increasing the efficiency of the Warehouse Section procedures and continued staff development and effectiveness.
- Maintain a compliance program for Transient Parking Tax property exemptions.
- Administer the City's billed receivables and maintain delinquent accounts for all departments.

CHANGES FROM PRIOR YEAR

The new Grants & Revenue Manager has begun the process to analyze and enhance the City's diverse revenue. In addition, a re-organization within the department has placed Accounts Receivable and Collections under the Grants and Revenue Manager to increase efficiencies with revenue management.

Purchasing will begin to implement a comprehensive electronic bid management system that will enable vendors to bid on City contracts via the Internet. This system will provide updated vendor information, increased competition, and is a more user friendly way for vendors to conduct business with the City.

DIVISION SUMMARY

	EXPENDITURES 2006-07	BUDGET 2007-08	BUDGET 2008-09	CHANGE FROM PRIOR YEAR
Staff Years	12.000	13.000	17.000	4.000
Salaries & Benefits	\$ 1,068,375	\$ 1,238,998	\$ 1,653,260	\$ 414,262
Materials, Supplies, Services	224,616	169,236	181,232	11,996
Capital Outlay			7,500	7,500
TOTAL	\$ 1,292,991	\$ 1,408,234	\$ 1,841,992	\$ 426,258

Accounting/Administration

001FN01A

		EXPENDITURES	BUDGET	BUDGET	CHANGE FROM
		FY 2006-07	FY 2007-08	FY 2008-09	PRIOR YEAR
STAFF YEARS		21.000	21.000	17.000	(4.000)
SALARIES & BENEFITS					
60001	Salaries & Wages	\$ 1,387,527	\$ 1,481,701	\$ 1,338,739	\$ (142,962)
60006	Overtime	24,155	10,000	10,000	
60012	Fringe Benefits	525,483	551,977	521,878	(30,099)
60022	Car Allowance	4,488	4,488	4,488	
		1,941,653	2,048,166	1,875,105	(173,061)
MATERIALS, SUPPLIES, SERVICES					
DISCRETIONARY					
62085	Other Professional Services	\$ 211,876	\$ 188,802	\$ 201,237	\$ 12,435
62170	Private Contractual Services	5,330			
62300	Special Departmental Supplies	1,858	5,400	5,400	
62310	Office Supplies	60,795	22,975	22,975	
62420	Books & Periodicals	102	1,000	1,000	
62440	Office Equip Maint & Repairs	109	765	765	
62455	Equipment Rentals	2,660	3,500	3,500	
62700	Memberships & Dues	1,150	1,080	1,080	
62710	Travel	5,138	7,760	7,760	
62755	Training	17,172	3,130	3,130	
62895	Miscellaneous	1,479	2,500	2,500	
NON-DISCRETIONARY					
62241	Other Direct Charges	1,938			
62470	F533 Office Equipment Rental	1,605	1,605		(1,605)
62485	F535 Comm Equip Rental	19,016	20,826	22,158	1,332
62496	F537 Computer Equip Rental	27,799	26,473	30,032	3,559
		358,027	285,816	301,537	15,721
PROGRAM TOTAL		\$ 2,299,680	\$ 2,333,982	\$ 2,176,642	\$ (157,340)

Budget/Purchasing

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		EXPENDITURES	BUDGET	BUDGET	CHANGE FROM
		FY 2006-07	FY 2007-08	FY 2008-09	PRIOR YEAR
STAFF YEARS		12.000	13.000	17.000	4.000
SALARIES & BENEFITS					
60001	Salaries & Wages	\$ 771,587	\$ 894,605	\$ 1,167,368	\$ 272,763
60006	Overtime	1,636	500	500	
60012	Fringe Benefits	295,152	343,893	485,392	141,499
		1,068,375	1,238,998	1,653,260	414,262
MATERIALS, SUPPLIES, SERVICES					
DISCRETIONARY					
62085	Other Professional Services	\$ 127,312	\$ 71,903	\$ 80,903	\$ 9,000
62170	Private Contractual Services	5,650			
62300	Special Departmental Supplies	4,496	6,500	6,500	
62310	Office Supplies	5,162	7,845	7,845	
62405	Uniform & Tool Allowance	560	862	862	
62420	Books & Periodicals	173	505	505	
62440	Office Equip Maint & Repairs		445	445	
62455	Equipment Rentals	4,493	5,388	5,388	
62700	Memberships & Dues	1,748	1,740	1,740	
62710	Travel	3,651	4,440	4,440	
62755	Training	3,227	2,350	2,350	
62895	Miscellaneous	314	400	400	
NON-DISCRETIONARY					
62220	Insurance	34,403	34,403	34,403	
62470	F533 Office Equipment Rental	647	647		(647)
62475	F532 Vehicle Equipment Rental	8,843	9,997	12,400	2,403
62485	F535 Comm Equip Rental	7,172	7,784	7,728	(56)
62496	F537 Computer Equip Rental	16,765	14,027	15,323	1,296
		224,616	169,236	181,232	11,996
CAPITAL OUTLAY					
70011	Operating Equipment			\$ 7,500	\$ 7,500
				7,500	7,500
PROGRAM TOTAL		\$ 1,292,991	\$ 1,408,234	\$ 1,841,992	\$ 433,758

FINANCIAL SERVICES

AUTHORIZED POSITIONS

CLASSIFICATION TITLES Full Time	STAFF YEARS 2006-07	STAFF YEARS 2007-08	STAFF YEARS 2008-09	CHANGE FROM PRIOR YEAR
FINANCIAL SRVCS DIR	1.000	1.000	1.000	
ASST FINC SRVCS DIR	1.000	2.000	2.000	
DEPUTY FINC SRVCS DIR	1.000	0.000	0.000	
PURCHASING MGR	1.000	1.000	1.000	
BUDGET MANAGER		1.000	1.000	
GRANTS & REV MANAGER		1.000	1.000	
ADMINISTRATIVE OFFICER	1.000	0.000	0.000	
FISCAL OPER SUPV	1.000	1.000	1.000	
SR BUYER	1.000	1.000	1.000	
SR ADMIN ANALYST	1.000	1.000	1.000	
BUDGET ANALYST	1.000	1.000	1.000	
BUDGET ASSISTANT	1.000	1.000	1.000	
PRINCIPAL ACCOUNTANT		1.000	1.000	
ACCT/AUDIT MANAGER		1.000	1.000	
FIN SYSTEMS MANAGER		1.000	1.000	
SR ACCOUNTANT	4.000	1.000	1.000	
BUYER II	1.000	1.000	1.000	
ACCOUNTANT	2.000	2.000	2.000	
SUPV ACCOUNT CLERK	3.000	3.000	3.000	
SR. COLLECTIONS SPECIALIST		1.000	1.000	
COLLECTIONS SPECIALIST	1.000	0.000	0.000	
ADMINISTRATIVE ANALYST I		1.000	2.000	1.000
PAYROLL TECH II	2.000	1.000	1.000	
PAYROLL TECH I	1.000	1.000	1.000	
STOREKEEPER	1.000	1.000	1.000	
ACCOUNT CLERK	4.000	4.000	3.000	-1.000
STORES HELPER	1.000	1.000	1.000	
EXECUTIVE ASSISTANT	1.000	1.000	1.000	
INTERMEDIATE CLERK	2.000	2.000	2.000	
TOTAL FULL TIME	33.000	34.000	34.000	
TOTAL STAFF YEARS	33.000	34.000	34.000	